

QUARTERLY REPORT

LICENSEE: BOARDWALK REGENCY CORPORATION (Caesars Atlantic City)

FOR THE QUARTER ENDED MARCH 31, 2003

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

BALANCE SHEETS

AS OF MARCH 31, 2003 AND 2002

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 28,106	\$ 31,398
2	Short-Term Investments.....	-	-
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts-(2003, \$7,073; 2002, \$13,956).....Note 2	65,259	81,740
4	Inventories.....Note 1	2,913	3,297
5	Prepaid Expenses and Other Current Assets.....	1,648	2,383
6	Total Current Assets.....	97,926	118,818
7	Investments, Advances, and Receivables.....Note 3	16,380	14,764
8	Property and Equipment - Gross.....Notes 1, 4 & 9	883,542	857,330
9	Less: Accumulated Depreciation and Amortization.....	(352,381)	(319,781)
10	Property and Equipment - Net.....	531,161	537,549
11	Other Assets.....	123	116
12	Total Assets.....	\$ 645,590	\$ 671,247
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	\$ 5,325	\$ 4,536
14	Notes Payable.....Note 5	-	-
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....Note 8	-	-
16	Other.....Note 9	332	394
17	Income Taxes Payable and Accrued.....Note 1	-	-
18	Other Accrued Expenses.....Note 6	28,876	32,087
19	Other Current Liabilities.....Note 7	50,070	38,687
20	Total Current Liabilities.....	84,603	75,704
	Long-Term Debt:		
21	Due to Affiliates.....Note 8	518,330	518,330
22	Other.....Note 9	720	1,111
23	Deferred Credits.....	-	-
24	Other Liabilities.....	5,563	5,213
25	Commitments and Contingencies		
26	Total Liabilities.....	609,216	600,358
27	Stockholders', Partners', or Proprietor's Equity.....	36,374	70,889
28	Total Liabilities and Equity.....	\$ 645,590	\$ 671,247

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	Revenue:		
1	Casino.....Note 1.....	\$ 119,999	\$ 125,416
2	Rooms.....	8,433	8,563
3	Food and Beverage.....	16,272	17,226
4	Other.....	5,235	6,456
5	Total Revenue.....	149,939	157,661
6	Less: Promotional Allowances.....Note 1.....	32,106	33,260
7	Net Revenue.....	117,833	124,401
	Costs and Expenses:		
8	Cost of Goods and Services.....	66,389	66,929
9	Selling, General, and Administrative.....	13,312	16,111
10	Provision for Doubtful Accounts.....	364	1,223
11	Total Costs and Expenses.....	80,065	84,263
12	Gross Operating Profit.....	37,768	40,138
13	Depreciation and Amortization.....Note 1.....	9,696	9,528
	Charges from Affiliates Other than Interest:		
14	Management Fees.....Note 10.....	3,906	4,121
15	Other.....Note 10.....	1,586	1,564
16	Income (Loss) from Operations.....	22,580	24,925
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....Note 5 & 8.....	(10,747)	(10,864)
18	Interest (Expense) - External.....Note 9.....	(120)	(104)
19	Investment Alternative Tax and Related Income (Expense) -...Note 1.....	(773)	(616)
20	Nonoperating Income (Expense) - Net.....Note 11.....	157	77
21	Total Other Income (Expenses).....	(11,483)	(11,507)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	11,097	13,418
23	Provision (Credit) for Income Taxes.....Note 1.....	4,533	5,482
24	Income (Loss) Before Extraordinary Items.....	6,564	7,936
	Extraordinary Items (Net of Income Taxes -		
25	20__, \$; 20__, \$).....		
26	Net Income (Loss).....	\$ 6,564	\$ 7,936

The accompanying notes are an integral part of the financial statements.
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TRADING NAME OF LICENSEE: BOARDWALK REGENCY CORPORATION (Caesars Atlantic City)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND THE THREE MONTHS ENDED MARCH 31, 2003

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)		Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2001.....	100	\$ 1,370		\$	\$ 46,065	\$	\$ 15,518	\$ 62,953
2	Net Income (Loss) - 2002.....							36,857	36,857
3	Contribution to Paid-in-Capital.....								-
4	Dividends.....							(70,000)	(70,000)
5	Prior Period Adjustments.....								-
6									-
7									-
8									-
9									-
10	Balance, December 31, 2002.....	100	1,370	-	-	46,065	-	(17,625)	29,810
11	Net Income (Loss) - March 31, 2003.....							6,564	6,564
12	Contribution to Paid-in -Capital.....								-
13	Dividends.....								-
14	Prior Period Adjustments.....								-
15									-
16									-
17									-
18									-
19	Balance, March 31, 2003.....	100	\$ 1,370	-	\$	\$ 46,065	\$	\$ (11,061)	\$ 36,374

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 13,840	\$ 25,874
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(3,996)	(9,208)
5	Proceeds from Disposition of Property and Equipment.....	78	1
6	Purchase of Casino Reinvestment Obligations.....	(1,519)	(1,429)
7	Purchase of Other Investments and Loans/Advances made.....	6	168
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(5,431)	(10,468)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	-	-
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	-
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	(92)	(56)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals.....	-	-
21			
22	Borrowings/Payments of Intercompany Payable.....	(17,272)	(20,392)
23	Net Cash Provided (Used) By Financing Activities.....	(17,364)	(20,448)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(8,955)	(5,042)
25	Cash and Cash Equivalents at Beginning of Period.....	37,061	36,440
26	Cash and Cash Equivalents at End of Period.....	\$ 28,106	\$ 31,398

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$ 10,855	\$ 10,949
28	Income Taxes.....	\$ 4,533	\$ 5,482

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2003 AND 2002

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$ 6,564	\$ 7,936
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	9,692	9,490
31	Amortization of Other Assets.....	4	38
32	Amortization of Debt Discount or Premium.....	-	-
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	(78)	(1)
36	(Gain) Loss on Casino Reinvestment Obligations.....	773	616
37	(Gain) Loss from Other Investment Activities.....	-	-
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	3,128	771
39	Net (Increase) Decrease in Inventories.....	224	(56)
40	Net (Increase) Decrease in Other Current Assets.....	1,189	(362)
41	Net (Increase) Decrease in Other Assets.....	(57)	(1)
42	Net Increase (Decrease) in Accounts Payable.....	(9,467)	(3,110)
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	1,777	10,467
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	91	86
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 13,840	\$ 25,874

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$ (3,996)	\$ (9,208)
49	Less: Capital Lease Obligations Incurred.....		
50	Cash Outflows for Property and Equipment.....	\$ (3,996)	\$ (9,208)
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....		
52	Goodwill Acquired.....		
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....		
54	Long-Term Debt Assumed.....		
55	Issuance of Stock or Capital Invested.....		
56	Cash Outflows to Acquire Business Entities.....	\$ -	\$ -
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions.....		
58	Less: Issuances to Settle Long-Term Debt.....		
59	Consideration in Acquisition of Business Entities.....		
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: BOARDWALK REGENCY CORPORATION (Caesars Atlantic City)

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED MARCH 31, 2003

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	143,757	\$ 5,718		
2	Food	621,721	8,755		
3	Beverage	965,763	3,308		
4	Travel			3,649	\$ 588
5	Bus Program Cash	135,025	1,764		
6	Other Cash Complimentaries	203,143	10,168		
7	Entertainment	55,003	1,097	3,634	219
8	Retail & Non-Cash Gifts	42,772	1,226	18,422	1,282
9	Parking				
10	Other*	343	70	12,001	401
11	Total	2,167,527	\$ 32,106	37,706	\$ 2,490

* No single item within "Other" exceeds 5% of the total.

Boardwalk Regency Corporation (Caesars Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and basis of presentation

Boardwalk Regency Corporation (the "Company"), a New Jersey corporation, is a wholly owned subsidiary of Caesars New Jersey, Inc. ("CNJ"), a New Jersey corporation. The Company owns and operates Caesars Atlantic City Hotel/Casino ("CAC") in Atlantic City, New Jersey. CNJ is a wholly owned subsidiary of Caesars World, Inc. ("CWI"), a Florida corporation, and CWI is a wholly owned subsidiary of Park Place Entertainment ("PPE"). The Company operates in one industry segment and all significant revenues arise from its casino and supporting hotel operations. The accompanying financial statements should be read in conjunction with the Casino Control Commission Quarterly Report for the year ended December 31, 2002.

All adjustments to these financial statements have been recorded and are, in the opinion of management, necessary for a fair presentation of the balance sheets for the Company at March 31, 2003 and 2002, and its statements of income for the three months ended March 31, 2003 and 2002 and its statements of cash flows for the three months ended March 31, 2003 and 2002. All such adjustments were of a normal recurring nature.

Seasonal factors

The Company's operations are subject to seasonal factors and, therefore, the results of operations of the three months ended March 31, 2003 and 2002 are not necessarily indicative of the results of operations for the full year.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses reported during the period. Actual results could differ from such estimates.

Boardwalk Regency Corporation (Caesars Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Revenue recognition and promotional allowances

Casino revenues represent the net revenue from gaming wins and losses. The revenues from hotel, food and beverage, and from theater ticket sales are recognized at the time the related services are performed. The Statement of Income reflects operating revenues including the retail value of complimentary services (also known as promotional allowances), which are deducted on a separate line to arrive at net revenues. Promotional allowances are provided to casino patrons without charge.

In the first quarter of 2001, the Emerging Issues Task Forces ("EITF") reached a consensus on certain issues in EITF 00-22 "Accounting for 'Points' and Certain Other Time-Based Sales Incentive Offers, and Offers for Free Products or Services to Be Delivered in the Future." EITF 00-22 requires that cash rebates or refunds as part of a customer loyalty program be shown as a reduction of revenues.

EITF 00-14 "Accounting for Certain Sales Incentives," which became effective January 1, 2002, focuses on the accounting for, and presentation of, discounts, coupons and rebates. EITF 00-14 requires that cash or equivalent amounts provided or returned to customers as part of a transaction should not be shown as an expense but should be an offset to the related revenue. The Company offers cash inducements and match-play coupons to customers to encourage visitation and play at the casino. The adoption of the standards resulted in an addition to promotional allowances (and a corresponding reduction in selling, general and administrative expenses) of \$11,932 and \$12,080, for the three months ended March 31, 2003 and 2002, respectively.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the weighted average cost method.

Property and equipment

Property and equipment are stated at cost. Depreciation is provided on the straight-line basis over the estimated economic lives of the related assets. Depreciation expense was \$9,692 and \$9,490 for the three months ended March 31, 2003 and 2002, respectively.

<u>Asset class</u>	<u>Life</u>
Buildings	40 years
Building improvements	3-10 years
Furniture, Fixtures and Equipment	3-10 years

Boardwalk Regency Corporation (Caesars Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Long-lived assets

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"). Under SFAS 142, goodwill and indefinite-lived intangible assets are no longer amortized but are reviewed at least annually for impairment. Separate intangible assets that are not deemed to have an indefinite life will continue to be amortized over their useful lives (but with no maximum life). The Company was required to adopt SFAS 142 effective January 2002. Implementation of this standard did not have a material impact on the Company's financial statements.

In August 2001, the FASB issued Statement of Financial Accounting Standard No. 144, "Accounting for Impairment of Disposal of Long-Lived Assets" ("SFAS 144"). SFAS 144 supersedes existing accounting literature dealing with impairment and disposal of long-lived assets, including discontinued operations. It addresses financial accounting and reporting for the impairment of long-lived assets, and for long-lived assets to be disposed of, and expands current reporting for discontinued operations to include disposals of a "component" of an entity that has been disposed of or is classified as held for sale. The Company was required to adopt SFAS 144 effective January 2002. Implementation of this standard did not have a material impact on the Company's financial statements.

Fair values of financial instruments

The fair values of the Company's financial instruments including receivables, payables and debt, approximate their recorded book values at March 31, 2003 and 2002.

Accounting Pronouncements

In November 2002, the FASB issued Interpretation No ("FIN") 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of the Indebtedness of Others." FIN No. 45 elaborates on the disclosures to be made by a guarantor about its obligations under certain guarantees issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and measurement provisions of this Interpretation apply to guarantees issued or modified after December 31, 2002. Implementation of this Interpretation did not have a material impact on the Company's financial statements.

On January 17, 2003, the FASB issued FIN No. 46, "Consolidation of Variable Interest Entities." FIN No. 46 addresses consolidation of entities that are not controllable through voting interest or in which the equity investors do not bear the residual economic risks and rewards. These

Boardwalk Regency Corporation (Caesars Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

entities have commonly been referred to as special purpose entities. The Interpretation provides guidance related to identifying variable interest entities and determining whether such entities should be consolidated. It also provides guidance related to the interest in newly consolidated variable interest entities and requires disclosures for both the primary beneficiary of a variable interest entity and other beneficiaries of the entity. The Company does not believe this provision will have a material impact on the Company's financial results.

Income taxes

Taxable income or loss of the Company is included in the consolidated Federal income tax return of PPE. The Company provides for income taxes by applying the respective state and federal statutory rates to pre-tax financial statement income. The corresponding liability or receivable is credited or charged to its corporate parent. Deferred income taxes and liabilities for temporary differences between the carrying amounts for financial reporting and income tax purposes, if any, are accounted for by PPE in accordance with the tax sharing agreement between PPE and the Company.

Casino Reinvestment Development Authority

The New Jersey Casino Control Act provides, among other things, for an assessment of licensees equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company has satisfied this investment obligation by (i) investing in qualified eligible direct investments, (ii) making qualified contributions or (iii) depositing funds with the Casino Reinvestment Development Authority ("CRDA"). Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have varying terms of up to fifty years and bear interest at below market rates. The Company records a charge to reflect the estimated realizable value of its CRDA investments.

Allocations and transactions with related parties

The Company transfers cash in excess of its operating needs to PPE on a daily basis. PPE provides the Company with cash advances for capital expenditures and working capital needs.

Certain executive, administrative and support operations of the Company and other PPE affiliates are consolidated, including limousine services, advertising, sales and marketing services, purchasing and other administrative departments. Costs of these operations are allocated to or from the Company either directly or using various formulas based on estimates of utilization of such services. Management believes the methods used to allocate these costs are reasonable.

Boardwalk Regency Corporation (Caesars Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 2 – RECEIVABLES AND PATRONS’ CHECKS

Receivables and patrons’ checks as of March 31 consist of the following:

	<u>2003</u>	<u>2002</u>
Casino receivables (net of allowance for doubtful accounts – 2003, \$6,576; 2002, \$13,569)	\$ 11,215	\$ 12,589
Other (net of allowance for doubtful accounts – 2003, \$497; 2002, \$387)	3,253	3,491
Due from PPE	50,073	65,660
Due from other affiliates	<u>718</u>	<u>-</u>
	<u>\$65,259</u>	<u>\$ 81,740</u>

NOTE 3 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments advances and receivables as of March 31 consist of the following:

	<u>2003</u>	<u>2002</u>
CRDA deposits	\$ 13,152	\$ 11,843
CRDA bonds receivable	2,922	2,807
CRDA Seat License Agreement	5,098	5,672
CRDA Long-term note receivable	883	-
Other, net	<u>20</u>	<u>20</u>
	22,075	20,342
Less: valuation allowance on CRDA investments	<u>(5,695)</u>	<u>(5,578)</u>
	<u>\$16,380</u>	<u>\$ 14,764</u>

Boardwalk Regency Corporation (Caesars Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment as of March 31 consist of the following:

	<u>2003</u>	<u>2002</u>
Land	\$ 118,090	\$ 117,991
Buildings and improvements	544,231	534,619
Furniture, fixtures and equipment	215,026	195,791
Construction in progress	<u>6,195</u>	<u>8,929</u>
	883,542	857,330
Less accumulated depreciation and amortization	<u>(352,381)</u>	<u>(319,781)</u>
	<u>\$ 531,161</u>	<u>\$ 537,549</u>

NOTE 5 – NOTES PAYABLE

At December 31, 2000, the Company entered into an uncommitted \$50,000 credit facility with Park Place Finance Corporation (PPFC), a wholly owned subsidiary of PPE. At March 31, 2003 and 2002, respectively, there was no outstanding balance.

NOTE 6 - OTHER ACCRUED EXPENSES

Other accrued expenses as of March 31 consist of the following:

	<u>2003</u>	<u>2002</u>
Accrued payroll and benefits	\$11,373	\$11,255
Insurance claims	5,604	4,957
Real estate taxes	3,144	3,539
Other	<u>8,755</u>	<u>12,336</u>
	<u>\$28,876</u>	<u>\$32,087</u>

Boardwalk Regency Corporation (Caesars Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 7- OTHER CURRENT LIABILITIES

Other current liabilities as of March 31 consist of the following:

	<u>2003</u>	<u>2002</u>
Due to affiliates-other	\$42,196	\$29,764
Unredeemed slot promotions liability	1,614	2,029
Unredeemed chip and token liability	4,723	5,469
Other	<u>1,537</u>	<u>1,425</u>
	<u>\$50,070</u>	<u>\$38,687</u>

NOTE 8 - LONG-TERM DEBT - DUE TO AFFILIATES

Long-term debt - due to affiliates as of March 31 2003 and 2002, respectively consists of a Park Place Finance Corp note due December 31, 2010 at 8.50%.

NOTE 9 – LONG-TERM DEBT, OTHER

Long-term debt, other as of March 31 consist of the following:

	<u>2003</u>	<u>2002</u>
Mortgage Note due October 15, 2011 interest at 10.0%	\$ 746	\$ 769
Capitalized lease obligation, net of amounts representing interest	<u>306</u> 1,052	<u>736</u> 1,505
Less :current maturities	<u>(332)</u>	<u>(394)</u>
	<u>\$ 720</u>	<u>\$1,111</u>

Boardwalk Regency Corporation (Caesars Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 10 – CHARGES FROM AFFILIATES - MANAGEMENT FEE

The Company has recorded expenses for the three months ended March 31 from CWI and affiliates as follows:

		<u>2003</u>	<u>2002</u>
<u>Affiliate</u>	<u>Transaction</u>		
Caesars World, Inc.	Management fee	\$ 3,906	\$ 4,121
Caesars Palace Corp.	Tradename fee	<u>1,586</u>	<u>1,564</u>
		<u>\$ 5,492</u>	<u>\$ 5,685</u>

NOTE 11 - NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income (expense) for the three months ended March 31 consist of the following:

	<u>2003</u>	<u>2002</u>
Interest income	\$ 79	\$ 76
Gain on disposal of equipment	<u>78</u>	<u>1</u>
	<u>\$ 157</u>	<u>\$ 77</u>

STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2 (b) 1-5 during the quarter.



Signature

Assitant Vice President/Controller

Title

#6908-11

License Number

On Behalf Of:

Boardwalk Regency Corporation

Casino Licensee